

Governor's Budget 2007-08: Higher Education

Budget Highlights

- The Governor's Budget for 2007-08 proposes a total funding of \$19.8 billion for all major segments of higher education.
- This reflects an increase of \$1.1 billion, or a 5.7 percent total funding increase above the 2006-07 revised budget.
- For the University of California and the California State University, the budget maintains the Higher Education Compact agreed to in Spring 2004. Major features include: 4 percent base funding increase; 2.5 percent enrollment growth; and predictable fee increases.
- Despite the fee increases, fees remain competitive. The UC fees are considered below average of comparable national institutions and the CSU fees as the lowest in the nation for comparable state colleges.
- Both the UC and the CSU plan to set aside more than one-third of the revenues generated by fees increases for financial aid, consistent with the Compact
- California Community Colleges fees remain at \$20 per semester unit, maintaining them as the lowest college fees in the nation.
- The overall increase in the number of full-time students projected to be served in 2007-08 is 35,753, bringing the total number of students enrolled in the state's universities and colleges to 1.749 million.

University of California (UC)

- The budget proposes \$5.5 billion for UC, reflecting an increase of \$345 million above the revised 2006-07 budget.
- UC is proposing a fee increase of 7 percent for undergraduates, graduate students and most professional schools.
- The budget proposes \$14 million in funding to continue sustaining UC Merced operations.
- The budget proposes \$757,000 to restore nursing funding for expansion of entry-level master's nursing programs.
- The budget proposes \$570,000 to fund the next cohort of students for the PRIME program, which targets prospective medical doctors for underserved populations.

- **Strategic Research and Innovation**

The budget proposes a strategic \$95 million investment in several UC research initiatives designed to maintain California's leadership position as an incubator for new cutting edge industry development.

- ❖ \$30 million in lease revenue bonds for the Helios Project, a groundbreaking initiative by the University of California's Lawrence Berkeley National Laboratory to create sustainable, carbon-neutral sources of energy.
- ❖ \$40 million in lease revenue bonds to the University of California for UC Berkeley or UC San Diego in the event that either wins a global competition for the British Petroleum (BP) Energy Biosciences Institute grant. The Institute will focus on converting biomass materials into fuels, converting fossil fuels to energy with less environmental damage and maximizing oil extraction from existing wells in environmentally sensitive ways.
- ❖ \$19.8 million in state funding for the California Institutes for Science and Innovation, a multidisciplinary research effort by the University of California-working in partnership with private companies-in the areas of information technology, biomedical research and nanotechnology, bringing total State funding to
- ❖ \$5 million as the first increment in State matching funds to enhance the UC's bid to build a \$200 million Petascale computer. Lawrence Livermore National Laboratory, Lawrence Berkeley National Laboratory and UC San Diego are in the running for the Petascale computer. The Governor's commitment of these funds will significantly enhance the University of California's bid for this groundbreaking project.

California State University (CSU)

- The budget proposes \$4.4 billion for CSU, reflecting an increase of \$270.6 million above the revised 2006-07 budget.
- The budget provides a \$65.5 million funding increase for enrollment growth, which enables the CSU to enroll an additional 8,355 state-supported students.
- CSU has proposed a fee increase of 10 percent for undergraduates, credential candidates and other graduate students.

UC and CSU Science and Math Teacher Initiative

- To help address California's critical shortage of highly trained teachers in the subjects of science and math, the Governor's budget proposes an increase of \$2 million for a total of \$2.7 million for the CSU and \$1.1 million for the UC to support the third year of the Science and Math Teacher Initiative.

California Community Colleges (CCC)

- The budget proposes \$8.6 billion for CCC, reflecting an increase of \$322.3 million above the revised 2006-07 budget.
- The budget proposes no fee increases for CCC students.
- California Community College Success Initiative
 - ❖ The budget proposes \$33.1 million to help at-risk Community College students succeed in achieving certificates and degrees.
- The budget proposes \$52 million for Career Technical Education (CTE) programs, an increase of \$32 million over the current year level. These funds, provided through the California Community College budget, would support activities including:
 - ❖ Expanding the number of academically rigorous CTE courses offered in middle schools, high schools, and community colleges
 - ❖ Building stronger partnerships between the business sector and educational institutions
 - ❖ Planning and implementing CTE curriculum for emerging industries
 - ❖ Expanding internship opportunities for students
 - ❖ Establishing career exploration opportunities for middle school students
 - ❖ Creating career-themed high schools
 - ❖ Establishing streamlined pipelines for becoming a CTE teacher.
- Nursing Initiative
 - ❖ The budget proposes \$9 million in ongoing funding for additional services to reduce enrollment attrition and for incentives to increase costly science course selections that are prerequisite to enrolling in nursing programs.
 - ❖ The budget also proposes another \$9 million in one-time funding for start up costs for five new nursing programs and development of four new regional clinical simulation laboratories.

Student Aid Commission

- The budget proposes \$852.2 million for the Cal Grant program, an increase of \$61.3 million over the revised 2006-07 level to fund anticipated growth in the program.
- The budget proposes \$49.2 million for the Assumption Program of Loans for Education (APLE), a \$2.9 million increase over the revised 2006-07 level.
- The budget authorizes an additional 600 APLE warrants for students participating in the Governor's Science and Math Teacher Initiative.